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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

December 3, 2007

Gary Gillespie
Century Gold Mining and Milling Co., Inc.
1475 Cannonwood Place
Murray, Utah 84123

Subject: Reclamation Surety Required for amended Notice, Century Gold Mining and Milling Company, Inc., Century Mine, S/003/0077, Task ID # 2050, Box Elder County, Utah

Dear Mr. Gillespie:

The Division finds your Amended Notice of Intention to Conduct Small Mining for the Century complete, however prior to conducting mining (drilling) activities outlined with this amendment, You will need to provide additional surety. The additional reclamation surety is determined to be \$10,000 for the 4 drill holes. This amount was calculated given the worst case scenario that 4 holes would be drilled for a total drill-hole depth of 2,000 feet. It is considered likely that water would be encountered, thus a hole plugging cost of \$4.50 per foot is applied. Please note, once the drilling is completed and the holes properly plugged, then you can make application to have this portion of the surety released.

The reclamation surety can be submitted in one of several forms, including amending your current letter of credit, providing a separate surety for the drilling program as cash, an irrevocable letter of credit, a certificate of deposit, or a surety bond. Please contact Jed Pearson at (801) 538-5382 or e-mail bondcoordinator@utah.gov for assistance in completing this requirement.

Thank you for your cooperation to help finalize this permitting action. In reply, please refer to file number S/003/0077.

Sincerely,

for Susan M. White
Susan M. White
Mining Program Coordinator
Minerals Regulatory Program

SMW:lk:pb

cc: Jed Pearson, DOGM

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